GEAR ENERGY LTD. ANNOUNCES 30 PER CENT INCREASE IN YEAR-END RESERVES AND 312 PER CENT REPLACEMENT OF 2014 PRODUCTION

CALGARY, ALBERTA (March 10, 2015) Gear Energy Ltd. (“Gear” or the “Company”) (TSX:GXE) is pleased to present the results and analysis of its 2014 year-end independent reserve report.

HIGHLIGHTS

- Added 6,864 mboe of Proved plus Probable (“P+P”) reserves, replacing 312 per cent of 2014 total production and yielding a 30 per cent increase over 2013 (eight per cent growth per debt adjusted share).

- Additions on a Total Proved basis of 4,579 mboe, a 27 per cent increase over 2013 (six per cent growth on a per debt adjusted share basis).

- Increased company interest P+P before tax reserves value (discounted at 10%) to $314 million, achieving 15 per cent growth over 2013 despite a 32 per cent reduction in the 2015 WCS heavy oil price forecast. The P+P net asset value before tax is currently $3.69 per share.

- Reserves additions include positive results in the acquired new core areas of Morgan, Paradise Hill, and Celtic as well as early success of multi-lateral drilling technology and increased recoveries associated with the outperformance of the polymer injection pilot in Wildmere. These positive results were partially offset by a reduction in base reserves within the Wildmere area.

- Achieved P+P finding, development and acquisition (“FD&A”) cost of $27.95 per boe, including all capital, all revisions, and changes in future development costs (“FDC”), yielding a recycle ratio of 1.4 times. The FD&A cost on a Total Proved basis was $38.71 per boe.

- Total FDC costs increased to $140.3 million on a P+P basis which represents 110 net undeveloped drilling locations, including 28 vertical wells and 82 single and multi-lateral horizontal wells. In aggregate, the 110 booked net locations represent 168 equivalent legs to be drilled or approximately 40 per cent of the internally recognized inventory of 410 equivalent leg drilling opportunities. FDC on a Total Proved basis was $69.4 million.

Heavy Oil Acquisition

Gear completed an acquisition of core area heavy oil assets on April 30th, 2014 for a purchase price of approximately $81 million net of final adjustments. Through 2014 these assets provided $20 million of cash flow and Gear invested approximately $15 million of capital into various oil growth and infrastructure related projects. The year-end 2014 reserves evaluation attributes $140 million of P+P NPV10 value to the same assets that were purchased at a cost net of capital and cash flow of $75 million. After eight short months of ownership Gear has been able to realize a more than 80 per cent increase in the value of the acquired assets, despite the material decline in the near-term heavy oil price forecast.

Wildmere Lloydminster C Pool

Primary production within the Wildmere Lloyd C pool tracked below last years base reserves forecast primarily within the recently developed sections 13 and 17-48-4W4. Although the wells in question are still estimated to produce positive economics on average, there was a 25 per cent year over year reduction in the Lloyd pool reserves balance on a total proved plus probable basis, or approximately 11 per cent of Gear's total corporate reserves. The total net Wildmere Lloyd C pool recovery factor has been reduced by 1.7 per cent from 8.7 to 7.0 per cent within the P+P forecast and reduced by 0.9 per cent from 7.0 to 6.1 per cent on a Total Proved basis. Recovery factor adjustments of this magnitude are unlikely to be replicated in the future as the new remaining reserves estimates within these two underperforming sections are no longer as material to the total pool reserves balance. Removing the Wildmere technical revisions yields corporate FD&A costs including FDC of $19.55 per boe for P+P and $28.61 per boe for Total Proved. The resulting P+P recycle ratio is 2.1 times.

Within the Lloyd pool the polymer pilot has continued to exceed expectations, with production inclining for approximately eight months to date. Pilot oil production is currently a greater than fourfold increase relative to pre flood levels and the water oil ratio during the same time frame has averaged approximately four times, which is an excellent indicator of no breakthrough of injected fluids. Injection of polymer will continue through 2015 to further characterize the amenability of this large reservoir to commercial recovery enhancement.

RESERVES SUMMARY

Year-end 2014 reserves were evaluated by independent reserves evaluator GLJ Petroleum Consultants ("GLJ") in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). A reserves committee, comprised of independent board members, reviews the qualifications and appointment of the independent reserves evaluator and reviews the procedures for providing information to the evaluators. The reserves evaluation was based on GLJ forecast pricing and foreign exchange rates at January 1, 2015. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without inclusion of any royalty interests) unless noted otherwise. Additional reserves information required under NI 51-101 will be included in Gear's Annual Information Form to be filed on SEDAR on or before March 31, 2015.

The following tables outline Gear's reserves as at December 31, 2014. No provision for interest, risk management contracts, debt service charges and general and administrative expenses have been made and it should not be assumed that the NPV estimated by GLJ represents the fair market value of the reserves.

Reserves summary at Dec 31, 2014 using GLJ January 1, 2015 forecast prices and costs

Company Gross	**Heavy Oil (mbbls)**	**NGL's (mbbls)**	**Natural Gas (mmcf)**	**Equivalent (mboes)**	**Liquids ratio (%)**
Proved Developed Producing	6,460	4	426	6,535	99
Proved Non-Producing & Undeveloped	3,419	61	7,846	4,787	73
Total Proved	9,879	65	8,272	11,322	88
Total Probable	7,260	181	9,357	9,000	83
Total Proved plus Probable	17,138	245	17,629	20,322	86

Net present value of future revenues before income taxes under forecast prices and costs

Company Gross ($ thousands)	**Undiscounted**	**Discounted @ 5%**	**Discounted @ 10%**	**Discounted @ 15%**	**Discounted @ 20%**
Proved Developed Producing	164,523	146,926	132,640	120,996	111,396
Proved Non-Producing & Undeveloped	79,470	61,487	48,338	38,462	30,853
Total Proved	243,994	208,413	180,978	159,458	142,249
Total Probable	229,066	171,378	133,151	106,549	87,278
Total Proved plus Probable	473,059	379,791	314,129	266,007	229,528

Future development costs ("FDC") under forecasted prices and costs

($ thousands)	**Proved**	**Probable**	**Total**
2015	30,350	3,907	34,257
2016	27,748	25,136	52,884
2017	4,970	23,155	28,125
Subsequent years	6,340	18,742	25,082
Undiscounted total	69,408	70,940	140,348
Discounted at 10%	61,095	55,922	117,018

Efficiency Ratios

The following table highlights annual capital efficiency through finding and development ("F&D") and FD&A costs per boe metrics.

	2014		2013	
Reserves (mboes), capital ($ thousands)	**Proved**	**Proved plus Probable**	Proved	Proved plus Probable
Development reserves additions	**1,606**	**2,403**	3,157	3,706
Net acquisition reserves additions	**2,973**	**4,460**	-	-
Total reserves additions	**4,579**	**6,863**	3,157	3,706
Development capital	**84,731**	**84,731**	53,558	53,558
Development change in FDC	**(16,853)**	**(16,327)**	18,889	12,633
Total development capital including FDC	**67,878**	**68,404**	72,447	66,221
Net acquisition capital	**79,710**	**79,710**	(92)	(92)
Net acquisition change in FDC	**31,692**	**45,127**	-	-
Total net acquisition capital including FDC	**112,573**	**126,008**	(92)	(92)
Total capital	**164,441**	**164,441**	53,466	53,466
Total change in FDC	**14,839**	**28,800**	18,889	12,633
Total capital including FDC	**179,280**	**193,241**	72,355	66,099
F&D costs with FDC per boe	**42.26**	**28.47**	22.95	17.86
FD&A costs with FDC per boe	**39.15**	**28.25**	22.92	17.84
3 Year average FD&A including FDC per boe	**30.30**	**23.44**	39.82	24.20
Recycle ratio (F&D with FDC)	**1.0**	**1.4**	1.4	1.8
Recycle ratio (FD&A with FDC)	**1.0**	**1.4**	1.4	1.8

Net Asset Value ("NAV") at December 31, 2014

($ millions, except per share amounts)	**2014**	2013	2012
Value of Company interest Proved plus Probable reserves discounted at 10% (Before Tax)	**314.1**	274.0	193.1
Undeveloped Lands	**13.4**	7.5	12.1
Seismic	**17.5**	12.4	11.9
Income tax asset	**16.5**	12.6	13.4
Risk management contracts	**13.7**	(2.1)	(0.1)
Net debt	**(98.4)**	(67.1)	(47.9)
Decommissioning liability	**(15.5)**	(9.1)	(2.4)
NAV	**261.3**	228.2	180.1
Shares outstanding (millions)	**70.8**	54.0	53.9
NAV per share	**3.69**	4.23	3.34

ADVISORY ON FORWARD-LOOKING STATEMENTS: *This press release contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "continue", "estimate", "may", "will", "should", "believe", "plans", "cautions" and similar expressions are intended to identify forward-looking information or statements. Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Gear which have been used to develop such statements and information but which may prove to be incorrect. Although Gear believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Gear can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. In particular, in addition to other factors and assumptions which may be identified herein, no assurances can be given respecting: whether Gear's exploration and development activities will be successful or that material volumes of petroleum and natural gas reserves will be encountered, or if encountered can be produced on a commercial basis; that additional drilling operations will be successful such that further development activities is warranted; that Gear's efforts to raise additional capital will be successful; that Gear will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities will be consistent with past operations; the accuracy of the estimates of Gear's reserve volumes; the general stability of the economic and political environment in which Gear operates; drilling results; field production rates and decline rates; the general continuance of current industry conditions; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Gear to secure adequate product transportation; future commodity prices and heavy oil differentials; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Gear operates; and the ability of Gear to successfully market its oil and natural gas products.*

Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Gear, including, without limitation: changes in commodity prices and heavy oil differentials; changes in the demand for or supply of Gear's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Gear or by third party operators of Gear's properties, increased debt levels or debt service requirements; inaccurate estimation of Gear's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Gear's public disclosure documents. Additional information regarding some of these risk factors may be found under "Risk Factors" in Gear's annual information form for the year ended December 31, 2014, which is expected to be filed on or before March 31, 2015. The reader is cautioned not to place undue reliance on this forward-looking information. The forward-looking statements contained in this press release are made as of the date hereof and Gear undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

ADVISORY ON USE OF "BOEs": *"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

OIL AND GAS ADVISORY: *The reserves information contained in this press release has been prepared in accordance with NI 51-101. Complete NI 51- 101 reserves disclosure will be included in Gear's annual information form for the year ended December 31, 2014 as required under NI 51-101, which is expected to be filed on or before March 31, 2015. Listed below are cautionary statements applicable to our reserves information that are specifically required by NI 51-101:*

- *Individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation.*
- *With respect to finding and development costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.*
- *This press release contains estimates of the net present value of Gear's future net revenue from the Company's reserves. Such amounts do not represent the fair market value of the Company's reserves.*
- *Reserves included herein are stated on a company interest basis (before royalty burdens and including royalty interests) unless noted otherwise as well as on a gross and net basis as defined in NI 51-101. "Company interest" is not a term defined by NI 51-101 and as such the estimates of Company interest reserves herein may not be comparable to estimates of "gross" reserves prepared in accordance with NI 51-101 or to other issuers' estimates of company interest reserves.*

SELECTED DEFINITIONS: *The following terms used in this press release have the meanings set forth below:*
"boe" means barrel of oil equivalent of natural gas and crude oil on the basis of 1 boe for six thousand cubic feet of natural gas (this conversion factor is and industry accepted norm and is not based on either energy content or current prices)
"Mbbl" means thousand barrels
"Mboe" means 1,000 barrels of oil equivalent
"Mmcf" means one million cubic feet
"NGL" means natural gas liquids